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GENERAL

1. Douglas suggests US halt emigration of Jewish DP's--US
Ambassador Douglas in London calls attention to the British decision to retain Jewish refugees in Cyprus during the Palestine cease-fire period and suggests that parallel US action with respect to Jewish displaced persons in the US Zone in Germany might be desirable. Douglas points out that because the US has agreed to the British construction of the cease-fire resolution with respect to the immigration of military manpower, any other action would be inconsistent with this interpretation.

EUROPE

2. **FRANCE: Government may fall on German issue--US Ambassador Caffery reports that the chances of the Government's surviving the Assembly debate on the German agreements "do not look very good" at present and that Foreign Minister Bidault is most unhappy because he agreed to go along with the US and the UK. Caffery says that the root of the French opposition to the agreements is a fear that the establishment of a government in western Germany will result in an aggressive Soviet attempt to force the western powers out of Berlin, followed by conflict with the US in which the USSR might over-run France. Caffery has also learned from a French parliamentary leader that, because of the traditional French fear of Germany, there is widespread hostility among French parliamentary groups to "Bidault's German policy."** Caffery also notes that: (a) some Socialists believe a final approach should have been made to the USSR before proceeding with the talks on Germany; and (b) almost all of the French press has blasted Bidault in particular and the Government in general for the agreements reached at London.

NEAR EAST-AFRICA

3. INDIA: Indian Army fighting Pakistan regulars in Kashmir--
The US Military Attache in Karachi reports that advancing Indian Army troops are now actively engaged with No. Pakistan

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Army battalion in western Kashmir. The MA says that both India and Pakistan have refused to take official cognizance of the action in order to avoid being forced into open and declared war. He adds, however, that continuation of the present Indian Army offensive will automatically result in a large-scale conflict between the forces of the two dominions. The MA considers it "absolutely essential" that the UN Kashmir Commission proceed directly to India without delay.

FAR EAST

4. KOREA: Washington-Moscow power negotiations suggested -- US Political Adviser Jacobs suggests that the US may wish to consider taking up with Moscow the issue of the North Korean power cut-off. Jacobs suggests this action because he regards the cut-off of power to South Korea as an act of economic warfare. He points out that the Soviet commander in North Korea still adheres to the position that all requests concerning power must be addressed to the People's Committee. Jacobs has little hope that a high-level approach will be successful but feels that for propaganda purposes it may be helpful by eliciting a Soviet statement regarding occupation responsibility.

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